

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF THE NORTH )  
MANCHESTER WATER ASSOCIATION FOR THE ) CASE NO.  
APPROVAL OF THE PROPOSED INCREASE IN ) 2011-  
RATES FOR WATER SERVICE )

RECEIVED  
OCT 28 2011  
PUBLIC SERVICE  
COMMISSION

STATEMENT AND NOTICE

North Manchester Water Association ("North Manchester"), by counsel, pursuant to KRS 278.020, KRS 278.180, KRS 278.190, and KRS 278.300, petitions the Commission for the approval of the proposed increase in the rates and charges. In support of its application, North Manchester respectfully states as follows:

1. North Manchester is a non-profit water Association organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws. North Manchester's principal office and mailing address is North Manchester Water Association, 7362 North Highway ~~421~~ Manchester, Kentucky 40962.

2. North Manchester is engaged in the distribution and sale of water to approximately 1,880 residential customers, and 30 commercial customers, in Clay County, Kentucky.

3. The proposed increase in the rates and charges is necessary for North Manchester to meet continuing demand for adequate service. It has been approximately one year since North Manchester last requested and received a general increase in its base water rates. An increase in its rates is essential for North

Manchester to maintain a reasonable level of service, to meet the expanding needs of its service area, and to cover its debt service requirements.

4. As authorized by KRS 278.192(1), and for the purpose of justifying the reasonableness of the proposed general increase in rates, North Manchester has utilized an historical test period consisting of the twelve (12) consecutive calendar months ending December 31, 2010.

5. North Manchester's annual reports, including the annual report for 2010, are on file with the Public Service Commission as required by 807 KAR 5:006, Section 3(1).

6. North Manchester hereby gives notice to the Public Service Commission of the adjustment of its rates to those rates set forth in Exhibit No. 1 in the filing requirements. North Manchester's pro forma operations support an increase in annual operating revenues of \$65,504, an increase of 8.45 percent over normalized revenue from rates of \$775,083.

7. The proposed tariff revisions (Exhibit No. 1) are shown in comparative form on the same sheets, side by side, and those comparative sheets are identified as Exhibit No. 2 in the filing requirements.

8. North Manchester has complied with 807 KAR 5:011, Section 9(2), and 807 KAR 5:001, Section 10(3) and (4), by delivering to newspapers of general circulation in its service area a copy of the Notice identified as Exhibit No. 8 in the filing requirements, for publishing once a week for three consecutive weeks in a prominent manner, the first of said publications has been made within (7) days of the filing of the Application with the Commission.

9. As required by 807 KAR 5:001, Section 10(4)(f), North Manchester will post a copy of its Customer Notice (Exhibit No. 10) at its place of business on the date the Application is filed with the Commission and shall continue to post this notice until the Public Service Commission has determined North Manchester's rates.

10. A list of the required documents filed in support of North Manchester's application for approval of the proposed adjustment of rates or an explanation for a required document's absence is contained in the Filing Requirement Index.

11. 807 KAR 5:011, Section 10(6)(b), requires that North Manchester submit the prepared testimony of each witness that it proposes to use to support its application. As Commission prepared North Manchester's application and is best able to provide any testimony or explanation regarding the application, North Manchester requests a deviation from 807 KAR 5:011, Section 10(6)(b).

WHEREFORE, North Manchester requests the Public Service Commission of Kentucky grant a deviation from 807 KAR 5:011, Section 10(6)(b), accept this application for filing purposes, and approve the proposed rates.

Dated at Manchester, Kentucky this OCT 26, 2011.

Respectfully submitted,  
NORTH MANCHESTER WATER  
ASSOCIATION

*Jimmy J. Mathis*

By *Clint Harris*

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